



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

DEC 19 2018

REPLY TO THE ATTENTION OF:

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Kurt Anderson, SHE Manager  
Louis Dreyfus Company Agricultural Industries LLC  
7344 SR 15 S  
Claypool, Indiana 46510

Re: Notice and Finding of Violation  
Louis Dreyfus Company Agricultural Industries LLC  
Claypool, Indiana

Dear Mr. Anderson:

The U.S. Environmental Protection Agency is issuing the enclosed Notice and Finding of Violation (NOV/FOV) to Louis Dreyfus Agricultural Industries LLC (you) under Section 113(a)(1) of the Clean Air Act, 42 U.S.C. § 7413(a)(1). We find that you have violated the Indiana State Implementation Plan and Title V of the Clean Air Act at your facility located at 7344 SR 15 S, Claypool, Indiana.

Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action.

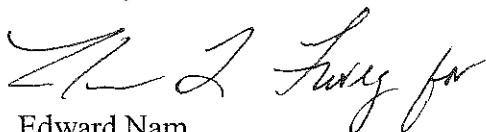
We are offering you an opportunity to confer with us about the violations alleged in the NOV/FOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply and the steps you will take to prevent future violations. In addition, in order to make the conference more productive, we encourage you to submit to us information responsive to the NOV/FOV prior to the conference date.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.



The EPA contacts in this matter are Virginia Galinsky and Marie St. Peter. You may call them at (312)-353-2089 and (312) 886-4746, respectively, to request a conference. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,

A handwritten signature in cursive script, appearing to read "E. Nam", followed by a flourish.

Edward Nam  
Director  
Air and Radiation Division

Enclosure

cc: Phil Perry, Chief, Air Compliance Branch, Indiana Department of Environmental  
Management



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5**

**IN THE MATTER OF:**

Louis Dreyfus Company Agricultural  
Industries LLC  
Claypool, Indiana

Proceedings Pursuant to  
Section 113(a)(1) of the  
Clean Air Act, 42 U.S.C.  
§ 7413(a)(1)

**NOTICE AND FINDING OF  
VIOLATION**

**EPA-5-19-IN-04**

**NOTICE AND FINDING OF VIOLATION**

The U.S. Environmental Protection Agency (EPA) is issuing this Notice and Finding of Violation (NOV/FOV) under Section 113(a)(1) of the Clean Air Act, 42 U.S.C. § 7413(a)(1). EPA finds that Louis Dreyfus Company Agricultural Industries LLC (Louis Dreyfus) is violating the Indiana State Implementation Plan (SIP) and the facility's Title V permit as follows:

**Statutory and Regulatory Background**

**Indiana State Implementation Plan (SIP)**

***Emission Statement Requirements***

1. On March 29, 2007, EPA approved 326 Indiana Administrative Code (IAC) 2-6-3 and 2-6-4 as part of the federally enforceable State Implementation Plan (SIP) for Indiana. 72 *Fed. Reg.* 14678.
2. 326 IAC 2-6-3 requires the submission of emission statements covering the previous calendar year. Sources which have the potential to emit 250 tons per year or more of volatile organic compounds (VOCs) must submit annual emission statements by July 1 of each year.
3. 326 IAC 2-6-2(19) states that the term "potential to emit" has the meaning set forth in 326 IAC 2-7-1. 326 IAC 2-7-1(30) defines "potential to emit" as "the maximum capacity of a stationary source to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or type or amount of material combusted, stored, or processed shall be treated as part of its design if the limitation is enforceable by the U.S. EPA. This term does not alter or affect the use of this term for any other purpose under the CAA, (or the term "capacity factor" as used in Title IV of the CAA) (or the regulations promulgated thereunder)."
4. 326 IAC 2-6-4(c)(3) requires that the emission statement include certain operating data for each emission unit or emissions unit group.

5. 326 IAC 2-6-4(c)(5) requires that the emission statement include certain emission information for each process.

#### *Prevention of Significant Deterioration Requirements*

6. On March 3, 2003, EPA conditionally approved Indiana's Prevention of Significant Deterioration (PSD) program as part of the Indiana SIP. 68 *Fed. Reg.* 9892 (effective April 2, 2003). On June 18, 2007, EPA partially approved revisions related to EPA's New Source Review (NSR) Reform regulations in Indiana's SIP. 72 *Fed. Reg.* 33395 (effective July 18, 2007). For all violations cited in this NOV/FOV, the applicable Indiana PSD regulations are the regulations codified in the Indiana Administrative Code as part of the Indiana SIP.
7. On October 29, 2012, EPA approved revised 326 IAC 2-2-1(ss)(1) as part of the federally enforceable SIP for Indiana. 77 *Fed. Reg.* 65478.
8. 326 IAC 2-2-1(ss)(1) defines "regulated NSR pollutant" as any pollutant for which a national ambient air quality standard has been promulgated and any pollutant identified as a constituent or precursor to the pollutant.
9. EPA initially promulgated a NAAQS for ozone on April 30, 1971 (36 *Fed. Reg.* 8186). The ozone NAAQS has been updated multiple times since its initial promulgation.
10. 326 IAC 2-2-1(ss)(1)(A) states that VOC is a precursor to ozone.
11. On September 28, 2011, EPA approved 326 IAC 2-2-1(ff)(1)-(7) as part of the federally enforceable SIP for Indiana. 76 *Fed. Reg.* 59899.
12. Pursuant to the Indiana SIP, a facility is considered a "major stationary source" if it emits or has the potential to emit 100 tons per year or more of a regulated NSR pollutant and it has fossil fuel boilers (or combinations thereof) totaling more than 250 million British thermal units per hour (mmBtu/hr) of heat input. *See* 326 IAC 2-2-1(ff)(1)(V).

#### Title V of the CAA

13. Title V of the Act, 42 U.S.C. §§ 7661-7661f, establishes an operating permit program for major sources of air pollution.
14. In accordance with Section 502(b) of the Act, 42 U.S.C. § 7661a(b), EPA promulgated regulations establishing the minimum elements of a Title V permit program to be administered by any air pollution control agency. *See* 57 *Fed. Reg.* 32250 (July 21, 1992). Those regulations are codified at 40 C.F.R. Part 70; thus Title V Permits are also called "Part 70" permits.
15. Section 502(d) of the Act, 42 U.S.C. § 7661a(d), provides that each state must submit to EPA a permit program meeting the requirements of Title V.

16. On December 4, 2001, EPA approved the State of Indiana's operating permit program with an effective date of November 30, 2001. *See* 66 *Fed. Reg.* 62969 (December 4, 2001). Indiana's operating permit program is codified at 326 IAC 2-7.
17. On March 16, 2015, EPA approved Indiana's Title V construction permit rule, replacing Indiana's previous construction permit rules codified at 326 IAC 2-1 with 326 IAC 2-7-10.5. *See* 80 *Fed. Reg.* 13493.
18. 326 IAC 2-7-10.5 requires that the application for modification of a Part 70 permit must identify all applicable requirements to which the source will be subject as a result of the modification.
19. Section 502(a) of the Act, 42 U.S.C. § 7661a(a), and 40 C.F.R. § 70.7(b) provide that, after the effective date of any permit program approved or promulgated under Title V of the Act, no source subject to Title V may operate except in compliance with a Title V permit.
20. 40 C.F.R. § 70.6(b)(1) provides that all terms and conditions in a Title V permit are enforceable by EPA.

#### **Factual Background**

21. Louis Dreyfus owns and operates a soybean processing facility at 7344 SR 15 S, Claypool, Kosciusko County, Indiana (Facility).
22. At all times relevant to this NOV/FOV, Kosciusko County has been designated as attainment or unclassifiable for ozone.
23. Emissions from Louis Dreyfus' Facility are subject to the emission statement reporting requirements in the Indiana SIP at 326 IAC 2-6-3 and 2-6-4. Because Louis Dreyfus emits more than 250 tpy of VOC, it must submit annual emission statements.
24. On June 29, 2016, Louis Dreyfus submitted to the Indiana Department of Environmental Management (IDEM) an emission statement covering calendar year in 2015. The June 29, 2016 emission statement reported that 345 tons of VOCs were emitted from the Facility in calendar year 2015. That emission statement reported emissions and operating data from the following processes: AF-1 and AF-2 Receiving and Loadout; Truck and Rail Loadout Bins, including Fugitives; Fugitives from Truck and Rail Receiving and Truck Loading 1&2; Prep Exhaust; Flakers Aspiration; Hot Dehulling; Meal Grinding; Pod Grinder/Destoner; Bean Storage Piles 1&2; Bean Storage; Meal Loadout, including Fugitives; S-2 DC Deck Cyclones; S-4 Mineral Oil Absorber; Main Boiler; Biodiesel Process; and the VSC Cyclones. These processes emit through stacks AF-1 through AF-7.
25. Louis Dreyfus has not submitted annual emission statements for calendar years 2013, 2014, 2016 or 2017, which were required to be submitted by July 1, 2014, July 1, 2015, July 1, 2017 and July 1, 2018, respectively.

26. The 2015 emission report did not report emissions or operating data for at least the following emission units and processes which are authorized by the Facility's Title V Permit: (1) the temporary mobile boiler, which emits through stack S-MB; and (2) Meal Bins 1-5, which at the time emitted through stacks MBF-1 through MBF-5.
27. IDEM issued an initial Title V permit to Louis Dreyfus on January 24, 2006. Louis Dreyfus has received modifications to and renewals of this permit, including on the following dates which are relevant to this NOV/FOV: December 17, 2013, June 16, 2017, and September 5, 2018.
28. On December 17, 2013, Louis Dreyfus obtained a modification to its Title V Permit which allowed it to install a temporary mobile boiler with heat input capacity of 40 million British thermal units per hour (mmBtu/hr). With the installation of this boiler, the total allowed fossil-fuel fired heat input capacity of the boilers at Louis Dreyfus is 260 mmBtu/hr. Because Louis Dreyfus has the potential to emit more than 100 tpy of VOCs, the installation of this boiler made Louis Dreyfus a major source under Indiana's PSD program. Louis Dreyfus' application for the installation of this boiler did not identify that it would cause the Facility to become a major source under PSD.
29. The Facility's June 16, 2017 and September 5, 2018 Title V Permits contain the following requirements related to operation of the mineral oil system which controls VOC emissions from the extraction unit:
  - a. Condition D.3.11(a) requires that the Permittee monitor and record the mineral oil flow rate to the mineral oil absorber at least once per day;
  - b. Condition D.3.11(b) requires that a continuous monitoring system measure the operating temperature of the mineral oil absorber, and requires that on and after the date the stack test results are available, the Permittee maintain the temperature of the mineral oil to the absorber at or below the 3-hour block average temperature as observed during the compliant test;
  - c. Condition D.3.11(c) requires that a continuous monitoring system measure the operating temperature of the mineral oil stripper, and requires that on and after the date the stack test results are available, the Permittee maintain the temperature of the mineral oil stripper at or above the 3-hour block average temperature as observed during the compliant test;
  - d. Condition D.3.11(d) requires that the Permittee must take action to address certain operating conditions, including when the mineral oil flow rate is below the minimum established during the last stack test, when the temperature of mineral oil to the absorber is above the temperature established during the last stack test, and when the temperature of mineral oil to the stripper is below the temperature established during the last stack test. It also states that, "[o]perating conditions above or below the values specified in (1) through (3) above shall not be considered a deviation from this permit. Failure to take response steps shall be considered a deviation from this permit."

30. Louis Dreyfus conducted a stack test on the Facility's mineral oil system that controls the extraction unit on November 15, 2017. On January 3, 2018, Louis Dreyfus submitted the results of the test to IDEM; therefore, the results were available to Louis Dreyfus by January 3, 2018 or earlier. During the November 15, 2017 test on the mineral oil system, the operating parameters were as follows:
  - a. The 3-hour average mineral oil flow rate was 59 gallons per minute;
  - b. The 3-hour average temperature of mineral oil to the absorber was 68 degrees Fahrenheit (°F); and,
  - c. The 3-hour average temperature of mineral oil to the stripper was 235°F.
31. Since January 3, 2018, Louis Dreyfus has operated the mineral oil system which controls VOC emissions from the extraction unit:
  - a. Below the minimum mineral oil flow rate established during the most recent stack test on at least 240 days;
  - b. Above the maximum mineral oil temperature to the absorber established during the most recent stack test on at least 282 days; and
  - c. Below the minimum mineral oil temperature to the stripper established during the most recent stack test on at least 262 days.
32. Louis Dreyfus has not taken action to respond to the parameter deviations described in Paragraph 31.

### Violations

33. By failing to submit annual emission statements for 2013, 2014, 2016, and 2017, as described in Paragraph 25 above, Louis Dreyfus has violated 326 IAC 2-6-3 of the Indiana SIP.
34. By failing to include operating and emissions data for all processes and emission units in its 2015 annual emission report, as described in Paragraph 26 above, Louis Dreyfus has violated 326 IAC 2-6-4(c)(3) and 326 IAC 2-6-4(c)(5) of the Indiana SIP.
35. By failing to include all applicable requirements in its application for the installation of the temporary boiler, as described in Paragraph 28 above, Louis Dreyfus has violated 326 IAC 2-7-10.5 of the Indiana SIP.
36. By failing to respond to operating conditions at the mineral oil system which were outside the range established by the most recent stack test, Louis Dreyfus has violated Condition D.3.11(d) of its Title V permit.

### Environmental Impact of Violations

37. These violations have caused or can cause excess emissions of VOCs. VOCs contribute to the formation of ozone. Breathing ozone contributes to a variety of health problems including chest pain, coughing, throat irritation, and congestion. It can worsen bronchitis, emphysema, and asthma. Ground-level ozone also can reduce lung function and inflame lung tissue. Repeated exposure may permanently scar lung tissue.

Date

12/19/18

Edward Nam  
Director

Air and Radiation Division

**CERTIFICATE OF MAILING**

I certify that I sent a Notice of Violation, No. EPA-5-19-IN-04, by Certified Mail, Return


Receipt Requested, to:

Kurt Anderson, SHE Manager  
Louis Dreyfus Company Agricultural Industries LLC  
7344 SR 15 S  
Claypool, Indiana 46510

I also certify that I sent copies of the Notice of Violation by first-class mail to:

Phil Perry, Chief  
Air Compliance Branch  
Indiana Department of Environmental Management  
pperry@idem.in.gov

On the 20<sup>th</sup> day of December 2019.

  
Kathy Jones  
Program Technician  
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 70170660000034618359

